Form 3160-3 (August 1999) RECENEL

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

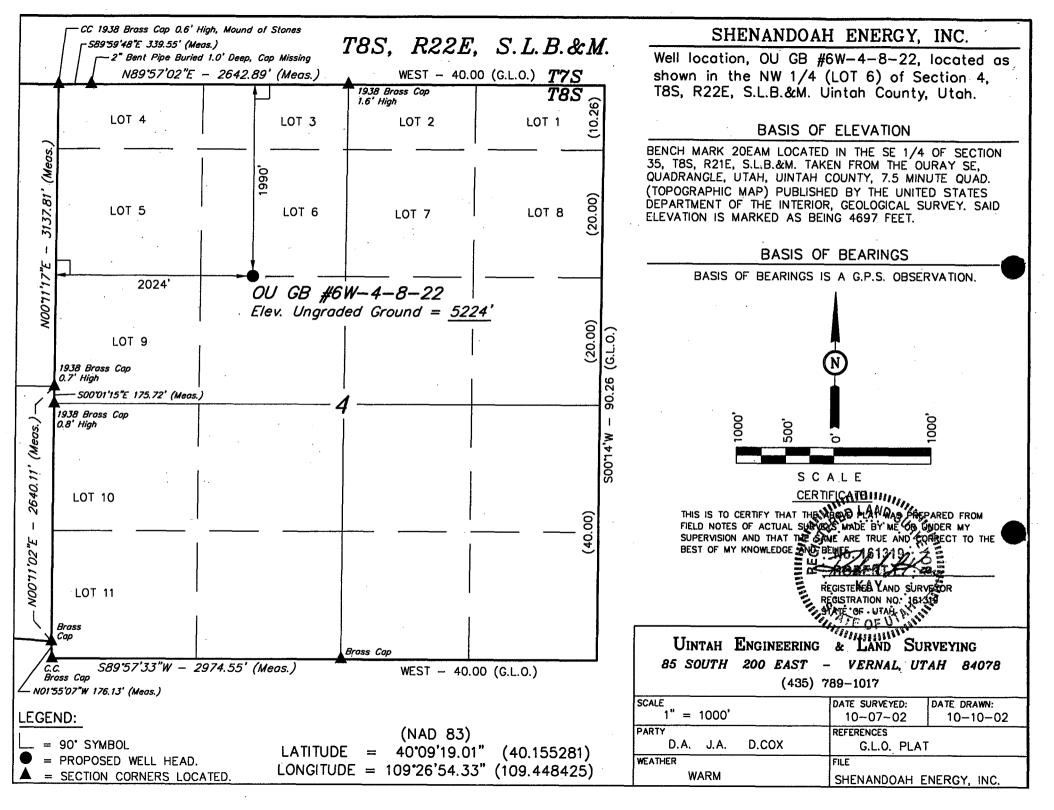
DEC 0 2 2002

FORM APPROVED OMB No. 1004-0136 Expires November 30, 2000

DIVISION OF

5. Lease Serial No. UTU-02510-A

1 APPLICATION FOR PERMIT	TO DRILL OR RECOUTERAS AND MININ	6. If Indian, Allottee or Tribe Nan N/A	ne	
la. Type of Work: ☑ DRILL ☐ REENTER	CONFIDENTIAL	7. If Unit or CA Agreement, Nam N/A	e and No.	
1b. Type of Well: ☐ Oil Well ☐ Gas Well ☐ Oth	her Single Zone Multiple Zone	8. Lease Name and Well No. OU GB 6W-4-8-22		
2. Name of Operator Contact: SHENANDOAH ENERGY INC.	JOHN BUSCH E-Mail: john.busch@questar.com	9. API Well No.	****	
3a. Address		43-047-34800	7	
11002 E. 17500 S. VERNAL, UT 84078	3b. Phone No. (include area code) Ph: 435.781.4341 Fx: 435.781.4323	10. Field and Pool, or Exploratory WHITE RIVER	,	
4. Location of Well (Report location clearly and in accorded		11. Sec., T., R., M., or Blk. and St	irvey or Area	
At surface SENW 1990FNL 2024FWL	- 4445934 x 40.15524 632203 x - 109.44778	Sec 4 T8S R22E Mer SLI	3	
At proposed prod. zone				
14. Distance in miles and direction from nearest town or post 10 +/- MILES SOUTHWEST OF REDWASH, U	office* ГАН	12. County or Parish UINTAH	13. State U.T	
 Distance from proposed location to nearest property or lease line, ft. (Also to nearest drig. unit line, if any) 	16. No. of Acres in Lease	17. Spacing Unit dedicated to this	well	
1990' +/-	907.83	40.00		
 Distance from proposed location to nearest well, drilling, completed, applied for, on this lease, ft. 	19. Proposed Depth	20. BLM/BIA Bond No. on file		
1000' +/-	8300 MD 8300 TVD	UT-1237		
21. Elevations (Show whether DF, KB, RT, GL, etc. 5237 KB	22. Approximate date work will start	23. Estimated duration 10 DAYS		
	24. Attachments			
The following, completed in accordance with the requirements o	of Onshore Oil and Gas Order No. 1, shall be attached to t	this form:		
 Well plat certified by a registered surveyor. A Drilling Plan. A Surface Use Plan (if the location is on National Forest Syst SUPO shall be filed with the appropriate Forest Service Of 	4. Bond to cover the operatio Item 20 above). Example 20 above). The contract of the cover the operation of the cover the cove	ons unless covered by an existing bon- formation and/or plans as may be requ		
25. Signature	Name (Printed/Typed) JOHN BUSCH	Dat	e 100 (4-6	
	Apprile (Befried/Typed) BRADLEY G		90 14-0	
Approved by Signature	Necessation (Typed) BRADLEY G	Dat I	-09-02	
Title	Office ENVIRONMENTAL SC	CIENTIST III	, 0 (0 -	
Application approval does not warrant or certify the applicant ho operations thereon. Conditions of approval, if any, are attached.	lds legal or equitable title to those rights in the subject le	ase which would entitle the applicant	to conduct	
Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, r States any false, fictitious or fraudulent statements or representat	nake it a crime for any person knowingly and willfully to ions as to any matter within its jurisdiction.	o make to any department or agency o	of the United	



SHENANDOAH ENERGY INC. OU GB 6W-4-8-22

ONSHORE OIL & GAS ORDER NO. 1 Approval of Operations on Onshore Federal Oil and Gas Leases

All lease and/or unit operations will be conducted in such a manner that full compliance is made with applicable laws, regulations (43 CFR 3100), Onshore Oil and Gas No. 1, and the approved plan of operations. The operator is fully responsible for the actions of his subcontractors. A copy of these conditions will be furnished the field representative to insure compliance.

1. Formation Tops

The estimated tops of important geologic markers are as follows:

Formation	Depth
Uinta	Surface
Green River	3019
Mahogany Ledge	4034
Mesa	6589
TD (Wasatch)	8300

2. Anticipated Depths of Oil, Gas, Water and Other Mineral Bearing Zones

The estimated depths at which the top and bottom of the anticipated water, oil, gas or other mineral bearing formations are expected to be encountered are as follows:

Substance	Formation	Depth
Oil/Gas	Wasatch	8300

All fresh water and prospectively valuable minerals encountered during drilling, will be recorded by depth and adequately protected. All oil and gas shows will be tested to determine commercial potential.

All water shows and water-bearing sands will be reported to the BLM in Vernal, Utah. Copies of State of Utah form OGC-8-X are acceptable. If no flows are detected, samples will be submitted to the BLM along with any water analyses conducted.

3. Anticipated Bottom Hole Pressures

Maximum anticipated bottom hole pressure equals approximately 3320.0 psi.

SHENANDOAH ENERGY INC. **OVER AND UNDER GLEN BENCH 6W-4-8-22** 1990' FNL, 2024' FWL SENW, SECTION 4, T8S, R22E **UINTAH COUNTY, UTAH** LEASE # UTU-02510-A

ONSHORE ORDER NO. 1

MULTI - POINT SURFACE USE & OPERATIONS PLAN

An onsite inspection was conducted for the OU GB 6W-4-8-22 on November 12, 2002 at 1:20 PM. Weather conditions were cool with a light breeze at the time of the onsite. In attendance at the inspection were the following individuals:

Dixie Sadlier

Bureau of Land Management

Stephanie Howard Bureau of Land Management

Jan Nelson

Shenandoah Energy Inc.

Raleen Searle

Shenandoah Energy Inc.

Existing Roads:

The proposed well site is approximately miles southwest of Red Wash, Utah.

Refer to Topo Maps A and B for location of access roads within a 2 - mile radius.

There will be no improvements made to existing access roads.

2. Planned Access Roads:

Please see Shenandoah Energy Inc. Standard Operating Practices for Wasatch Formation Wells located in Red Wash, Wonsits Valley, Gypsum Hills, White River, Glen Bench, and undesignated fields in Townships 07 and 08 South, Ranges 21 to 24 East.

Refer to Topo Map B for the location of the proposed access road.

3. <u>Location of Existing Wells Within a 1 – Mile Radius:</u>

Please refer to Topo Map C.

4. Location of Existing & Proposed Facilities:

Please see Shenandoah Energy Inc. Standard Operating Practices for Wasatch Formation Wells located in Red Wash, Wonsits Valley, Gypsum Hills, White River, Glen Bench, and undesignated fields in Townships 07 and 08 South, Ranges 21 to 24 East.

Refer to Topo Map D for the location of the proposed pipeline.

5. Location and Type of Water Supply:

Please see Shenandoah Energy Inc. Standard Operating Practices for Wasatch Formation Wells located in Red Wash, Wonsits Valley, Gypsum Hills, White River, Glen Bench, and undesignated fields in Townships 07 and 08 South, Ranges 21 to 24 East.

6. Source of Construction Materials:

Please see Shenandoah Energy Inc. Standard Operating Practices for Wasatch Formation Wells located in Red Wash, Wonsits Valley, Gypsum Hills, White River, Glen Bench, and undesignated fields in Townships 07 and 08 South, Ranges 21 to 24 East.

7. Methods of Handling Waste Materials:

Please see Shenandoah Energy Inc. Standard Operating Practices for Wasatch Formation Wells located in Red Wash, Wonsits Valley, Gypsum Hills, White River, Glen Bench, and undesignated fields in Townships 07 and 08 South, Ranges 21 to 24 East.

8. Ancillary Facilities:

Please see Shenandoah Energy Inc. Standard Operating Practices for Wasatch Formation Wells located in Red Wash, Wonsits Valley, Gypsum Hills, White River, Glen Bench, and undesignated fields in Townships 07 and 08 South, Ranges 21 to 24 East.

9. Well Site Layout: (See Location Layout Diagram)

The attached Location Layout Diagram describes drill pad cross-sections, cuts and fills and locations of the mud tanks, reserve pit, flare pit, pipe racks, trailer parking, spoil dirt stockpile(s), and surface material stockpile(s).

Please see the attached diagram to describe rig orientation, parking areas, and access roads,

A pit liner is required.

10. Plans for Reclamation of the Surface:

Please see Shenandoah energy Inc. Standard Operating Practices for Wasatch Formation Wells located in Red Wash, Wonsits Valley, Gypsum Hills, White River, Glen Bench, and undesignated fields in Township 07 and 08 South, Ranges 21 to 24 East.

Seed mix #4.

11. Surface Ownership:

The well pad and access road are located on lands owned by:

Bureau of Land Management 170 South 500 East Vernal, Utah 84078 (435) 781-4400

12. Other Information

A Class III archaeological survey was conducted by Montgomery Archaeology Consultants. A copy of this report was submitted directly to the appropriate agencies by Montgomery Archaeology Consultants. Cultural resource clearance was recommended for this location.

There is a Burrowing Owl Stipulation form April 1st to August 15th. No construction or drilling will commence during this period unless otherwise determined by a wildlife biologist that the site is inactive.

Lessee's or Operator's Representative:

John Busch Red Wash Operations Rep. Shenandoah Energy Inc. 11002 East 17500 South Vernal, Utah 84078 (435) 781-4341

Certification:

All lease and/or unit operations will be conducted in such a manner that full compliance is made with all applicable laws, regulations, Onshore Oil & Gas Orders, the approved plan of operations, and any applicable Notice to Lessees.

Shenandoah Energy Inc. will be fully responsible for the actions of their subcontractors.

A complete copy of the approved Application for Permit to Drill will be furnished to the field representative(s) to ensure compliance and shall be on location during all construction and drilling operations.

I hereby certify that I, or persons under my direct supervision, have inspected the proposed drill site and access route; that I am familiar with the conditions which currently exist; that the statements made in this plan are, to the best of my knowledge, true and correct; and that the work associated with the operations proposed herein will be performed by Shenandoah Energy Inc. its' contractors and subcontractors in conformity with this plan and the terms and conditions under which it is approved. This statement is subject to the provisions of 18 U.S.C. 1001 for the filing of a false statement.

John Bure	19-Nov-02	
John Busch	Date	—
Red Wash Operations Representative	— 	

Additional Operator Remarks:

Shenandoah Energy Inc. proposes to drill a well to 8300' to test the Wasatch. If productive, casing will be run and the well completed. If dry, the well will be plugged and abandoned as per BLM and State of Utah requirements.

Please see Shenandoah Energy Inc. Standard Operating Practices for Wasatch Formation Wells located in Red Wash, Wonsits Valley, Gypsum Hills, White River, Glen Bench, and undesignated fields in Townships 07 and 08 South, Ranges 21 and 24 East.

See Onshore Order No. 1 attached

Please be advised that Shenandoah Energy Inc. agree to be responsible under the terms and conditions of the lease for the operations conducted upon the lease lands.

Bond coverage for this well is provided by Bond No. UT-1237. The principal is Shenandoah Energy Inc. via surety as consent as provided for the 43 CFR 3104.2.

SHENANDOAH ENERGY, INC.

OU GB #6W-4-8-22

LOCATED IN UINTAH COUNTY, UTAH **SECTION 4, T8S, R22E, S.L.B.&M.**

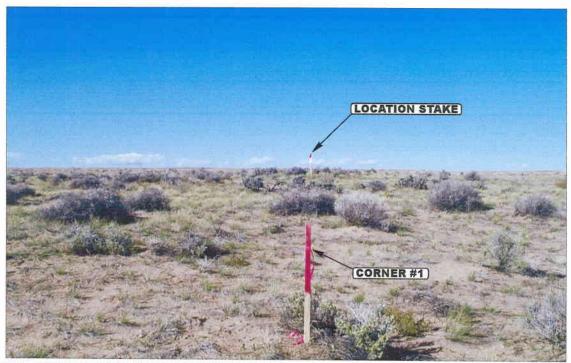


PHOTO: VIEW FROM CORNER #1 TO LOCATION STAKE

CAMERA ANGLE: NORTHERLY

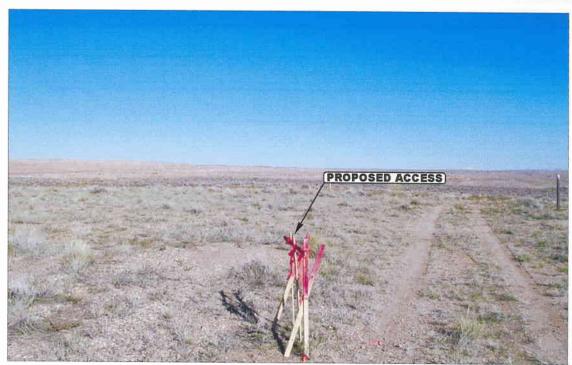


PHOTO: VIEW FROM BEGINNING OF PROPOSED ACCESS

CAMERA ANGLE: EASTERLY

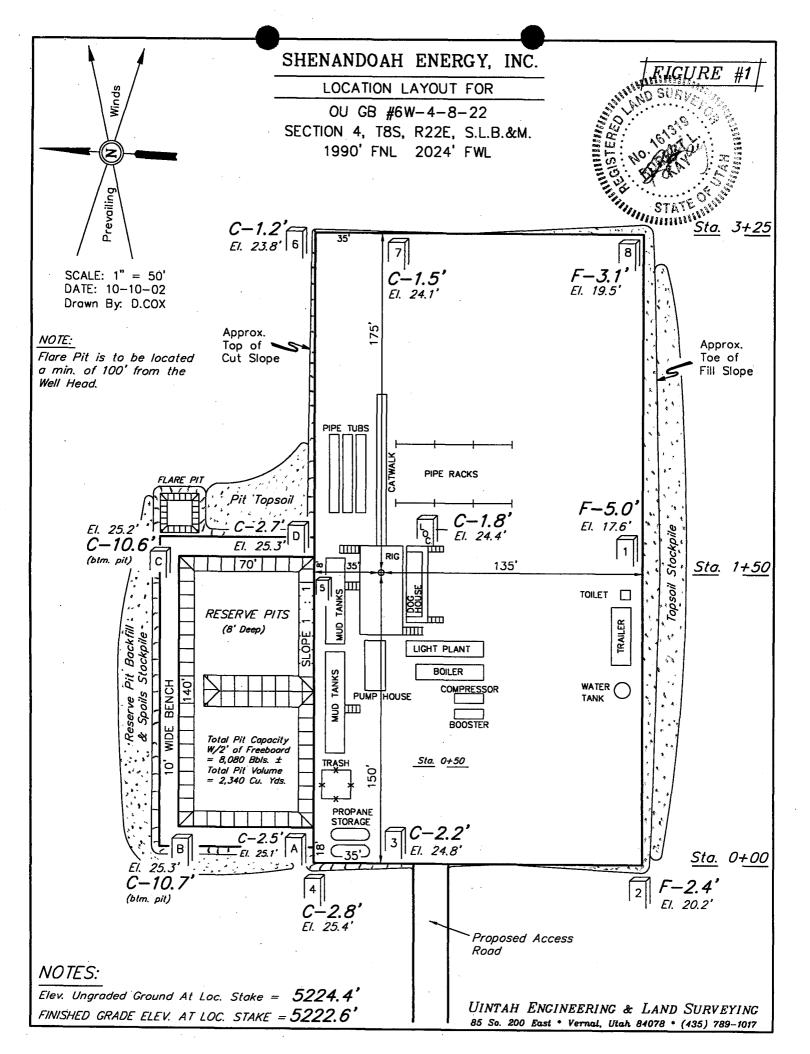


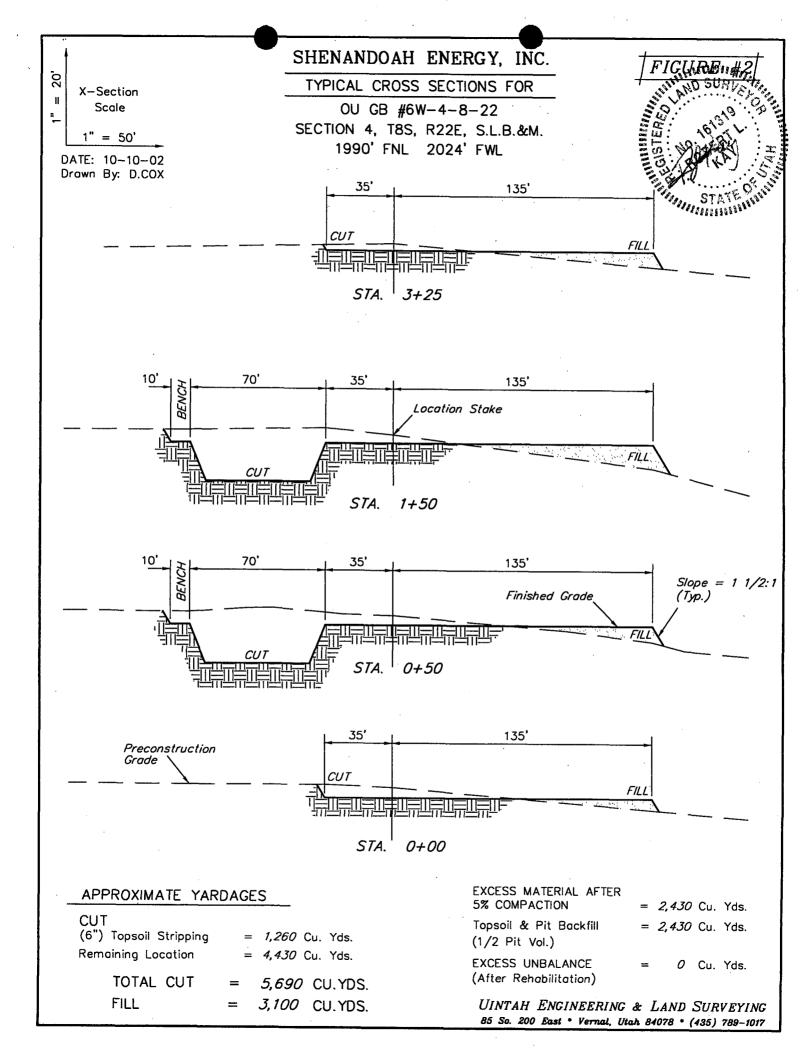
Uintah Engineering & Land Surveying 85 South 200 East Vernal, Utah 84078 435-789-1017 uels@uelsinc.com

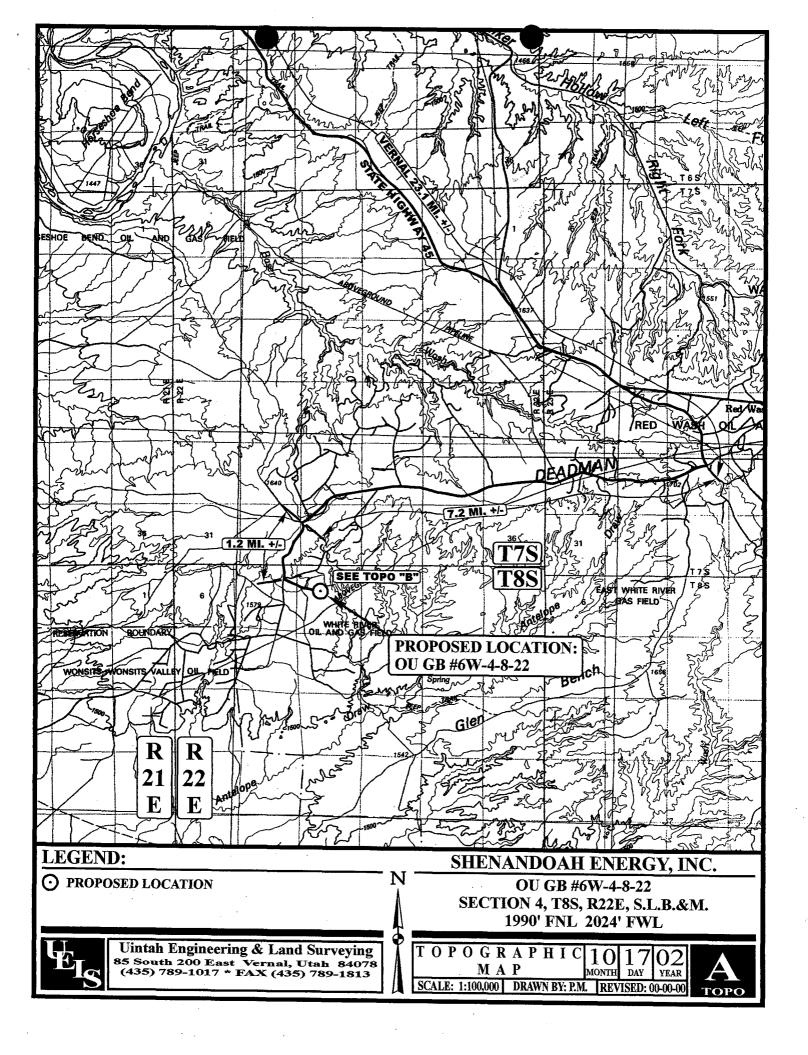
LOCATION PHOTOS

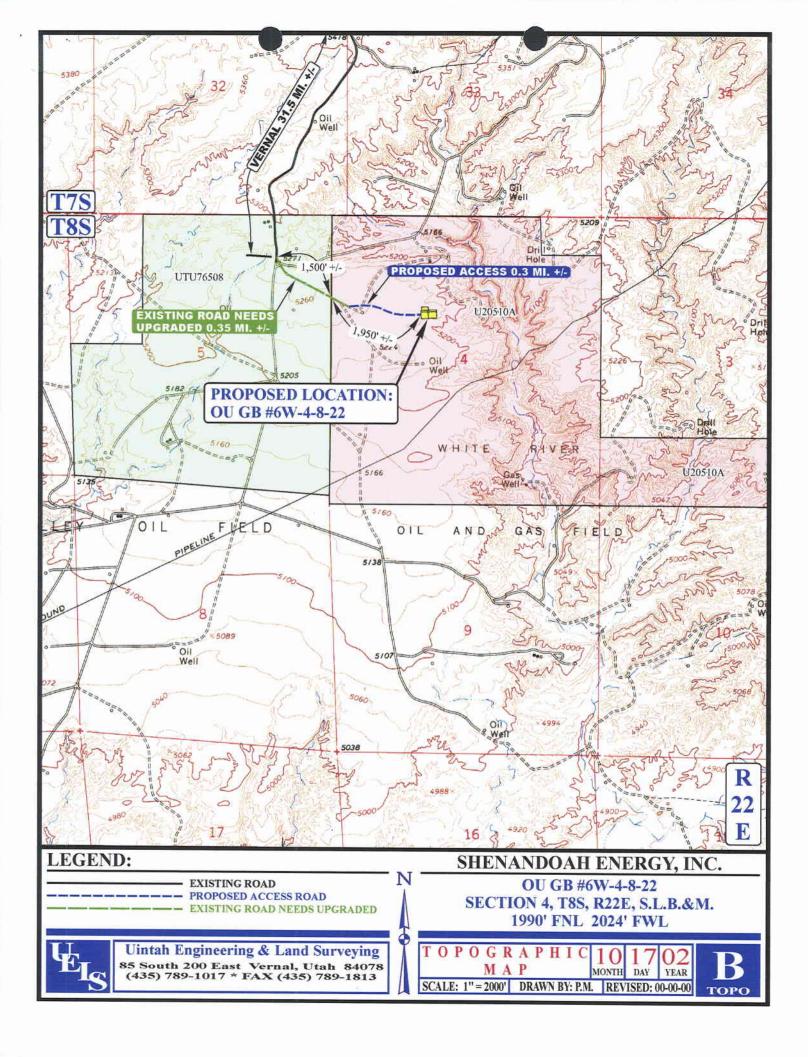
РНОТО

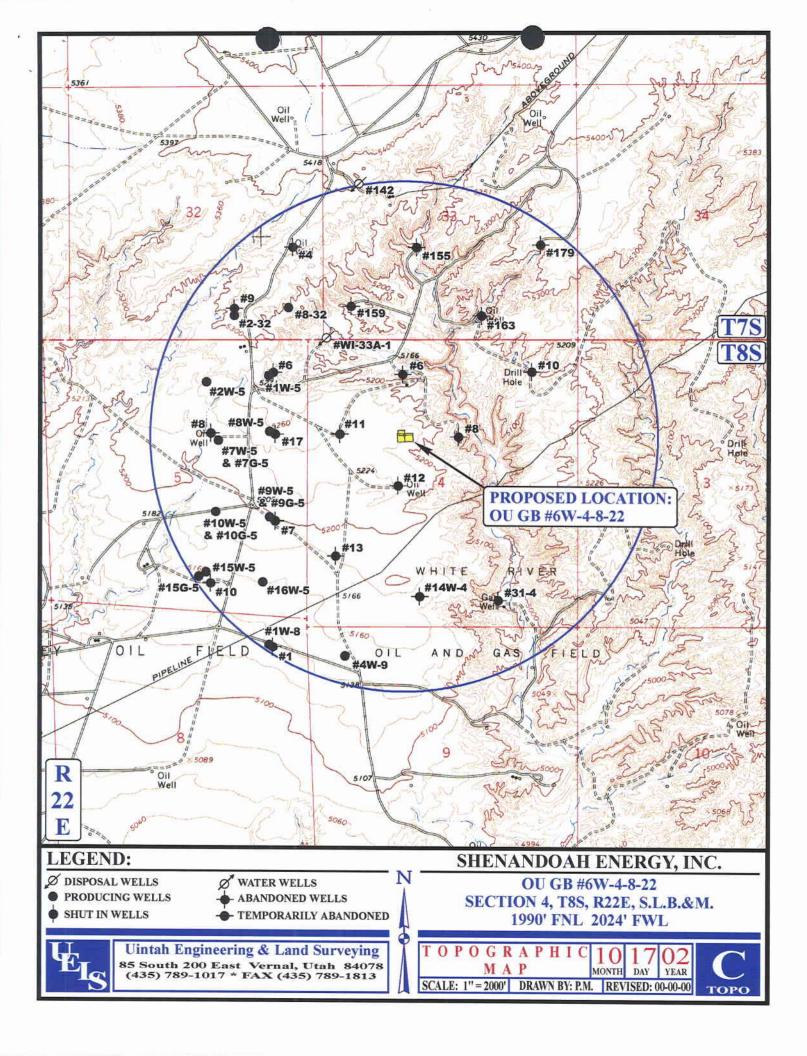
TAKEN BY: D.A. | DRAWN BY: P.M. | REVISED: 00-00-00

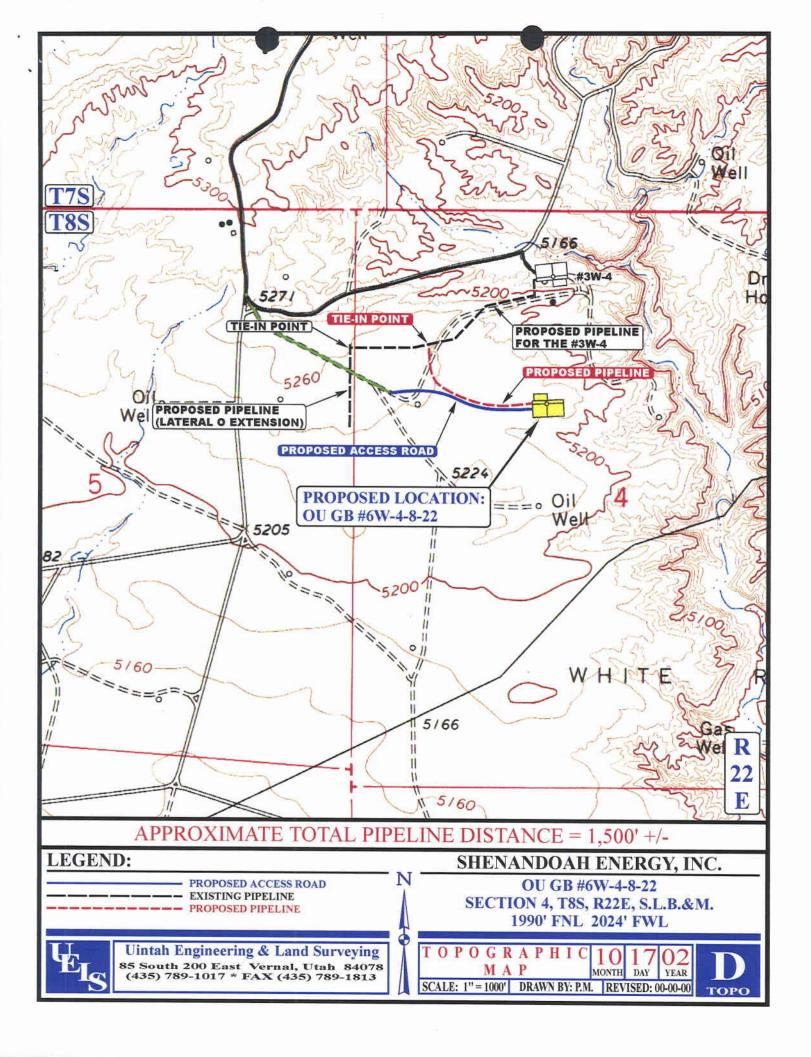






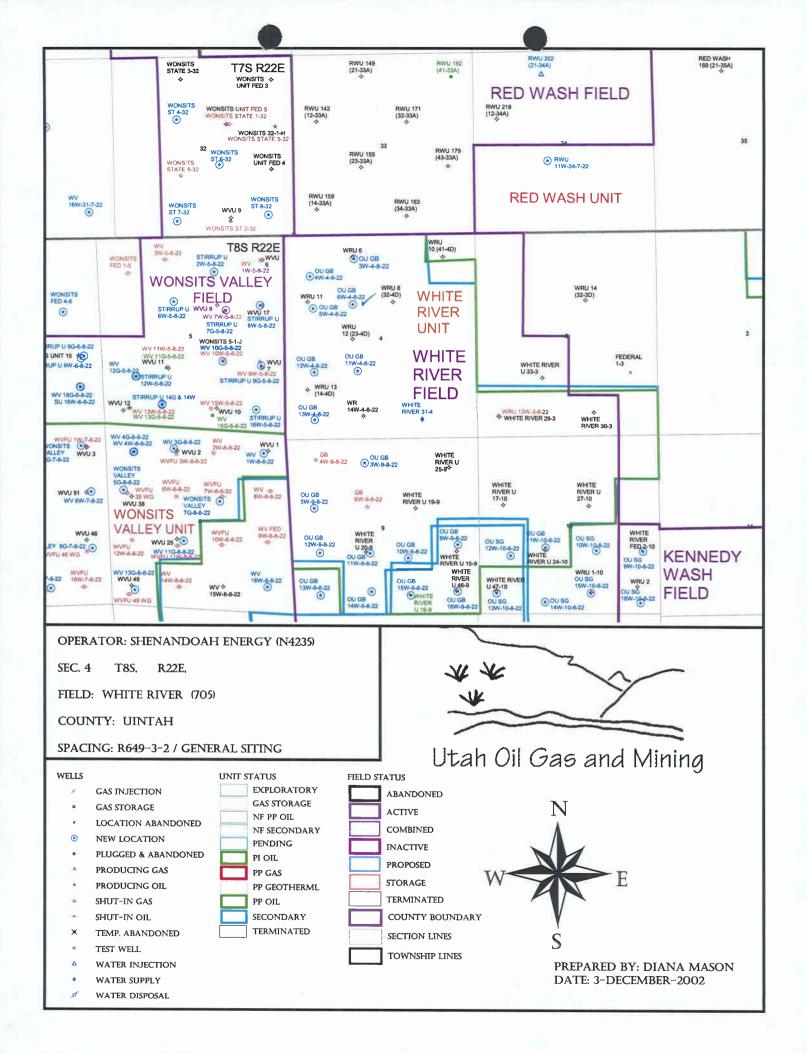






WORKSHEET APPLICATION FOR PERMIT TO DRILL

APD RECEIVED: 12/02/2002	API NO. ASSIGNED: 43-047-34809				
WELL NAME: OU GB 6W-4-8-22 OPERATOR: SHENANDOAH ENERGY INC (N4235) CONTACT: JOHN BUSCH	PHONE NUMBER: 435-781-4341				
PROPOSED LOCATION: SENW 04 080S 220E SURFACE: 1990 FNL 2024 FWL BOTTOM: 1990 FNL 2024 FWL UINTAH WHITE RIVER (705) LEASE TYPE: 1 - Federal LEASE NUMBER: UTU-02510-A SURFACE OWNER: 1 - Federal PROPOSED FORMATION: WSTC	INSPECT LOCATN BY: / / Tech Review Initials Date Engineering Geology Surface LATITUDE: 40.15526 LONGITUDE: 109.44778				
RECEIVED AND/OR REVIEWED: Plat Bond: Fed[1] Ind[] Sta[] Fee[] (No. UT-1237) N Potash (Y/N) N Oil Shale 190-5 (B) or 190-3 or 190-13 Water Permit (No. 43-8496) RDCC Review (Y/N) (Date:) N Fee Surf Agreement (Y/N)	LOCATION AND SITING: R649-2-3. Unit WHITE RIVER / R649-3-2. General				
SOP, Separate file STIPULATIONS: 1- Leding O Approve O 2- Spacing Stip					



002

United States Department of the Interior

BUREAU OF LAND MANAGEMENT

Utah State Office P.O. Box 45155 Salt Lake City, Utah 84145-0155

IN REPLY REFER TO: 3160 (UT-922)

<date>

Memorandum

To:

Assistant District Manager Minerals, Vernal District

From:

Michael Coulthard, Petroleum Engineer

Subject:

2002 Plan of Development White River Unit, Uintah County, Utah.

Pursuant to email between Diana Mason, Division of Oil, Gas and Mining, and Mickey Coulthard, Utah State Office, Bureau of Land Management. The following wells are planned for calendar year 2002 within the White River Unit, Uintah County, Utah.

Api Number

Well

Location

(Proposed PZ Wasatch)

43-047-34806 OU GB 3W-4-8-22 Sec. 4 T08S R22E 0663 FNL 2048 FWL 43-047-34807 OU GB 4W-4-8-22 Sec. 4 T08S R22E 1172 FNL 0768 FWL 43-047-34808 OU GB 5W-4-8-22 Sec. 4 T08S R22E 2116 FNL 0864 FWL 43-047-34809 OU GB 6W-4-8-22 Sec. 4 T08S R22E 1990 FNL 2024 FWL

This office has no objection to permitting the wells at this time.

/s/ Michael L. Coulthard

bcc:

File - White River Unit

Division of Oil Gas and Mining

Agr. Sec. Chron Fluid Chron

MCoulthard:mc:<date>-<date>



Michael O. Leavitt
Governor
Robert L. Morgan
Executive Director
Lowell P. Braxton
Division Director

1594 West North Temple, Suite 1210 PO Box 145801 Salt Lake City, Utah 84114-5801 (801) 538-5340 telephone (801) 359-3940 fax (801) 538-7223 TTY www.nr.utah.gov

December 9, 2002

Shenandoah Energy Inc. 11002 E 17500 South Vernal, UT 84078

Re:

Over and Under Glen Bench 6W-4-8-22 Well, 1990' FNL, 2024' FWL, SE NW, Sec. 4,

T. 8 South, R. 22 East, Uintah County, Utah

Gentlemen:

Pursuant to the provisions and requirements of Utah Code Ann.§ 40-6-1 *et seq.*, Utah Administrative Code R649-3-1 *et seq.*, and the attached Conditions of Approval, approval to drill the referenced well is granted.

This approval shall expire one year from the above date unless substantial and continuous operation is underway, or a request for extension is made prior to the expiration date. The API identification number assigned to this well is 43-047-34809.

Sincerely,

Associate Director

pb

Enclosures

cc:

Uintah County Assessor

Bureau of Land Management, Vernal District Office



Operator: Shenandoah Energy Inc.							
Well Name & Number_	·	Over and Under Glen Bench 6W-4-8-22					
API Number:		43-047-34809					
Lease:		UTU-02510-A					
Location: SE NW	Sec. 4	T. 8 South	R. 22 East				

Conditions of Approval

1. General

Compliance with the requirements of Utah Admin. R. 649-1 *et seq.*, the Oil and Gas Conservation General Rules, and the applicable terms and provisions of the approved Application for permit to drill.

2. Notification Requirements

Notify the Division within 24 hours of spudding the well.

Contact Carol Daniels at (801) 538-5284.

Notify the Division prior to commencing operations to plug and abandon the well.

Contact Dan Jarvis at (801) 538-5338

3. Reporting Requirements

All required reports, forms and submittals will be promptly filed with the Division, including but not limited to the Entity Action Form (Form 6), Report of Water Encountered During Drilling (Form 7), Weekly Progress Reports for drilling and completion operations, and Sundry Notices and Reports on Wells requesting approval of change of plans or other operational actions.

- 4. State approval of this well does not supersede the required federal approval, which must be obtained prior to drilling.
- 5. This proposed well is located in an area for which drilling units (well spacing patterns) have not been established through an order of the Board of Oil, Gas and Mining (the "Board"). In order to avoid the possibility of waste or injury to correlative rights, the operator is requested, once the well has been drilled, completed, and has produced, to analyze geological and engineering data generated therefrom, as well as any similar data from surrounding areas if available. As soon as is practicable after completion of its analysis, and if the analysis suggests an area larger than the quarter-quarter section upon which the well is located is being drained, the operator is requested to seek an appropriate order from the Board establishing drilling and spacing units in conformance with such analysis by filing a Request for Agency Action with the Board.

Form 3160-3 (August 1999)

UNITED STATES DEPARTMENT OF THE INTERIOR BUREAU OF LAND MANAGEMENT

FORM APPROVED OMB No. 1004-0136 Expires November 30, 2000

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11	U	v

APPLICATION FOR PERMIT TO DRILL OR REENTER

Lease Serial No. UTU-02510-A

APPLICATION FOR PERMIT T	6. If Indian, Allottee or Tribe Nam N/A	e		
ia. Type of Work: ⊠ DRILL ☐ REENTER	CONFIDENTIAL	7. If Unit or CA Agreement, Name N/A	and No.	
lb. Type of Well: ☐ Oil Well 🛛 Gas Well ☐ Oth	er 🛭 Single Zone 🔲 Multiple Zone	8. Lease Name and Well No. OU GB 6W-4-8-22		
	JOHN BUSCH E-Mail: john.busch@questar.com	9. API Well No.		
3a. Address 11002 E. 17500 S. VERNAL, UT 84078	10. Field and Pool, or Exploratory WHITE RIVER			
4. Location of Well (Report location clearly and in accordan	nce with any State requirements *),	11. Sec., T., R., M., or Blk. and Survey or Area		
At surface SENW 1990FNL 2024FWL		Sec 4 T8S R22E Mer SLE	3	
At proposed prod. zone	IIGV 2 0 2002			
14. Distance in miles and direction from nearest town or post of 10 +/- MILES SOUTHWEST OF REDWASH, UT	ffice* AH	12. County or Parish UINTAH	13. State UT	
15. Distance from proposed location to nearest property or lease line, ft. (Also to nearest drig, unit line, if any)	16. No. of Acres in Lease	17. Spacing Unit dedicated to this	well	
1990' +/-	907.83	40.00		
 Distance from proposed location to nearest well, drilling, completed, applied for, on this lease, ft. 	19. Proposed Depth	20. BLM/BIA Bond No. on file		
1000' +/-	8300 MD 8300 TVD 22. Approximate date work will start	UT-1237		
21. Elevations (Show whether DF, KB, RT, GL, etc. 5236 KB	23. Estimated duration 10 DAYS			
	24. Attachments	**		

The following, completed in accordance with the requirements of Onshore Oil and Gas Order No. 1, shall be attached to this form:

- 1. Well plat certified by a registered surveyor.
- 2. A Drilling Plan.
- 3. A Surface Use Plan (if the location is on National Forest System Lands, the SUPO shall be filed with the appropriate Forest Service Office).
- 4. Bond to cover the operations unless covered by an existing bond on file (see Item 20 above).
- Operator certification
- Such other site specific information and/or plans as may be required by the authorized officer.

25. Signature	Name (Printed/Typed) JOHN BUSCH	Date 11/19/2002
Title OPERATIONS Approved by (Signature)	Name (Printed/Typed)	Date
Title Assistant Field Frances Mineral Resources	ger Office	(2/27/2002

Application approval does not warrant or certify the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

Conditions of approval, if any, are attached.

NOTICE OF APPROVAL

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

Additional Operator Remarks (see next page)

RECEIVED

JAN 0 3 2003

DIV. OF OIL, GAS & MINING

CONDITIONS OF APPROVAL ATTACHED

10/20/02 SARROOPER

COAs Page 1 of 3 Well No.: OU GB 6W-4-8-22

CONDITIONS OF APPROVAL APPLICATION FOR PERMIT TO DRILL

Company/Operator: Shenandoah Energy Inc.
Well Name & Number: OU GB #6W-4-8-22
API Number: 43-047-34809
Lease Number: <u>U-02510A</u>
Location: Lot 6 Sec. 4 T.8S R. 22E
Agreement: OU Glen Bench Unit (Proposed)

For more specific details on notification requirements, please check the Conditions of Approval for Notice to Drill and Surface Use Program.

CONDITIONS OF APPROVAL

Approval of this application does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

Be aware fire restrictions may be in effect when location is being constructed and/or when well is being drilled. Contact the appropriate Surface Management Agency for information.

Casing Program and Auxiliary Equipment

As a minimum requirement, the cement behind the production casing must extend 200' above the top of the Green River Formation identified at ± 3175 '.

Coring, Logging and Testing Program

Daily drilling and completion progress reports shall be submitted to this office on a weekly basis.

COAs Page 2 of 3 Well No.: OU GB 6W-4-8-22

Other Information

Please submit an electronic copy of all logs run on this well in LAS format. This submission will supercede the requirement for submittal of paper logs to the BLM.

In the event after-hours approvals are necessary, you must contact one of the following individuals:

Ed Forsman

(435) 828-7874

Petroleum Engineer

Kirk Fleetwood

(435) 828-7875

Petroleum Engineer

BLM FAX Machine (435) 781-4410

COAs Page 3 of 3 Well No.: OU GB 6W-4-8-22

CONDITIONS OF APPROVAL FOR THE SURFACE USE PROGRAM OF THE APPLICATION FOR PERMIT TO DRILL

-No drilling or construction would occur from April 1 to August 15 to protect the burrowing owl reproductive season. If construction or drilling is proposed during that time frame, a burrowing owl survey would be required and no construction or drilling activities would be allowed within .5 mile of an active burrowing owl nest until the adults and any young produced have left the area.

- -A plastic liner shall be used in the reserve pit. Felt would not be required unless rocks are encountered.
- -Seed mix 4 would be required for seeding the topsoil, reserve pit, and for final abandonment.
- -4 to 6 inches of topsoil should be stripped from the location and windrowed as shown on the cut sheet. The topsoil shall then be broadcast seeded with the recommended seed mix immediately after it has been windrowed and the seed walked into the soil with a dozer.
- -The topsoil from the reserve pit should be stripped and piled separately near the reserve pit. When the reserve pit is closed, it shall be recontoured and the topsoil respread, and the area shall be seeded in the same manner as the location topsoil.
- -Once the location is plugged and abandoned, it shall be recontoured to natural contours, topsoil respread where appropriate, and the entire location seeded with the recommended seed mix. Seeding could be done by broadcasting the seed and walking it in with a dozer. Seeding should take place immediately after the dirt work is completed.
- -The seed mix for this location shall be:

Fourwing saltbush

Atriplex canescens

Indian Ricegrass

Oryzopsis hymenoides

Globemallow (scarlet or munroe)

Atriplex canescens

Oryzopsis hymenoides

4 lbs./acre

4 lbs./acre

- -All poundages are in pure live seed.
- -Reseeding may be required if first seeding is not successful.



United States Department of the Interior

BUREAU OF LAND MANAGEMENT

Utah State Office P.O. Box 45155 Salt Lake City, UT 84145-0155

IN REPLY REFER TO UT-922

June 9, 2003

QEP Uinta Basin, Inc. 1050 17th Street, Suite 500 Denver, Colorado 80265

Re:

White River Unit Uintah County, Utah

Gentlemen:

On May 30, 2003, we received an indenture dated February 1, 2003, whereby Shenandoah Energy, Inc. changed it name and QEP Uinta Basin, Inc. was designated as Successor Unit Operator for the White River Unit, Uintah County, Utah.

This indenture was executed by all required parties and the signatory parties have complied with Sections 5 and 6 of the unit agreement. The instrument is hereby approved effective June 9, 2003. In approving this designation, the Authorized Officer neither warrants nor certifies that the designated party has obtained all required approval that would entitle it to conduct operations under White River Unit Agreement.

Your nationwide (Eastern States) oil and gas bond No. B000024 will be used to cover all operations within the White River Unit.

It is requested that you notify all interested parties of the name change of unit operator. Copies of the approved instruments are being distributed to the appropriate federal offices, with one copy returned herewith.

Sincerely,

/s/ Robert A. Henricks

Robert A. Henricks Chief, Branch of Fluid Minerals

Enclosure

bcc: Field Manager - Vernal (w/enclosure)

SITLA

Division of Oil, Gas & Mining Minerals Adjudication Group

File – White River Unit (w/enclosure)

Agr. Sec. Chron Fluid Chron

UT922:TAThompson:tt:6/9/03

OPERATOR CHANGE WORKSHEET

ROUTING

1. GLH

2. CDW

3. FILE

007

Change of Operator (Well Sold)

Designation of Agent/Operator

X Operator Name Change

Merger

The operator of the well(s) listed	d below has change	ed, e	ffectiv	e:		2/	1/2003	· · · · · · · · · · · · · · · · · · ·		1
FROM: (Old Operator):			TO: (New 0	Operator):				1		
				N2460-QEP Uinta Basin Inc 11002 E 17500 S Vernal, UT 84078-8526						
Phone: (435) 781-4341					Phone:	(435) 781-				
	CA No.				Unit:		HITE RI	VER UN	IT	1
WELL(S)										1
NAME	S	EC	TWN	RNG	API NO	ENTITY NO	LEASE TYPE	WELL TYPE	WELL STATUS	Confi
OU GB 13W-4-8-22	0	4	080S	220E	4304734752		Federal	GW	APD	C
OU GB 11W-4-8-22	0				4304734761		Federal	GW	APD	C
OU GB 3W-4-8-22	0		080S		4304734806	 	Federal	GW	APD	C
OU GB 4W-4-8-22	0		080S		4304734807		Federal	GW	APD	C
OU GB 5W-4-8-22	0				4304734808		Federal	GW	APD	C
OU GB 6W-4-8-22	0	4	080S		4304734809		Federal	GW	APD	C
OU GB 9W-9-8-22	0	9 (080S	220E	4304734650		Federal	GW	APD	C
OU GB 10W-9-8-22	0	9 (080S	220E	4304734651	<u> </u>	Federal	GW	P	C
OU GB 12W-9-8-22	0	9	080S	220E	4304734652		Federal	GW	TA	C
OU GB 11W-9-8-22	0	9 (080S	220E	4304734653		Federal	GW	APD	C
OU GB 16W-9-8-22	0	9 (080S	220E	4304734679	13729	Federal	GW	P	C
OU GB 5W-9-8-22	0	9	080S	220E	4304734753		Federal	GW	APD	С
OU GB 3W-9-8-22	0	9 (080S	220E	4304734763		Federal	GW	APD	С
OU GB 11W-10-8-22	1	0	080S	220E	4304734691		Federal	GW	APD	C
OU GB 12W-10-8-22	1	0	080S	220E	4304734769	13864	Federal	GW	DRL	C
WRU EIH 14W-26-8-22	2			220E	4304734835	12528	Federal	GW	DRL	C
WRU EIH 11W-26-8-22	2			220E	4304734836		Federal	GW	APD	C
WRU EIH 6W-35-8-22	3	5 (080S	220E	4304734684	13544	Federal	GW	DRL	C
		-								
		1								-

OPERATOR CHANGES DOCUMENTATION

Ŀn	ter	date	atter	each	listed	item	is	comp	leted	Į
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1. (R649-8-10) Sundry or legal documentation was received from the **FORMER** operator on:

6/2/2003

2. (R649-8-10) Sundry or legal documentation was received from the NEW operator on: 6/2/2003

3. The new company was checked on the Department of Commerce, Division of Corporations Database on: 6/19/2003

4. Is the new operator registered in the State of Utah:

YES Business Number: 5292864-0151

5. If NO, the operator was contacted contacted on:

6. (. (R649-9-2)Waste Management Plan has been received on:	IN PLACE
7.	7. Federal and Indian Lease Wells: The BLM and or the BIA ha or operator change for all wells listed on Federal or Indian leases on:	as approved the merger, name change, 7/21/2003
8.	Federal and Indian Units: The BLM or BIA has approved the successor of unit operator for wells l	listed on: <u>7/21/2003</u>
9.	Prederal and Indian Communication Agreements ("CA"): The BLM or BIA has approved the operator for all wells listed within a communication of the second seco	
10	0. Underground Injection Control ("UIC") The Division h for the enhanced/secondary recovery unit/project for the water disposal we	nas approved UIC Form 5, Transfer of Authority to Injec rell(s) listed on: n/a
DA	DATA ENTRY:	
1.	. Changes entered in the Oil and Gas Database on:	9/11/2003
2.	. Changes have been entered on the Monthly Operator Change Spread Sh	heet on: <u>9/11/2003</u>
3.	. Bond information entered in RBDMS on:	n/a
4.	. Fee wells attached to bond in RBDMS on:	n/a
ST	STATE WELL(S) BOND VERIFICATION:	
1.	. State well(s) covered by Bond Number:	965-003-032
FF	FEDERAL WELL(S) BOND VERIFICATION:	
1.	. Federal well(s) covered by Bond Number:	ESB000024
IN	NDIAN WELL(S) BOND VERIFICATION:	
1.	. Indian well(s) covered by Bond Number:	799446
FE	FEE WELL(S) BOND VERIFICATION:	
1.	. (R649-3-1) The NEW operator of any fee well(s) listed covered by Bond I	Number 965-003-033
	. The FORMER operator has requested a release of liability from their bond The Division sent response by letter on:	on: <u>n/a</u> n/a
LF	LEASE INTEREST OWNER NOTIFICATION:	MARKET PROPERTY OF THE PROPERT
3.	. (R649-2-10) The FORMER operator of the fee wells has been contacted ar of their responsibility to notify all interest owners of this change on:	nd informed by a letter from the Division n/a
CC	COMMENTS:	

SEI (N4235) to QEP (N2460)

		- N		·		4				
well_name	Sed		R	api DOGM	Entity			stat		unit_name
OU GB 9W-9-8-22	09	080S	220E	4304734650		Federal	GW	APD	C	WHITE RIVER
OU GB 10W-9-8-22	09	080S	220E	4304734651	13730	Federal	GW	P	C	WHITE RIVER
OU GB 12W-9-8-22	09	080S	220E	4304734652	13712	Federal	GW	TA	C	WHITE RIVER
OU GB 11W-9-8-22	09	080S	220E	4304734653		Federal	GW	APD	C	WHITE RIVER
OU GB 16W-9-8-22	09	080S	220E	4304734679	13729	Federal	GW	P	C	WHITE RIVER
WRU EIH 6W-35-8-22	35	080S	220E	4304734684	13544	Federal	GW	DRL	C	WHITE RIVER
OU GB 11W-10-8-22	10	080S	220E	4304734691		Federal	GW	APD	C	WHITE RIVER
OU GB 13W-4-8-22	04	080S	220E	4304734752		Federal	GW	APD	C	WHITE RIVER
OU GB 5W-9-8-22	09	080S	220E	4304734753		Federal	GW	APD	C	WHITE RIVER
OU GB 11W-4-8-22	04	080S	220E	4304734761		Federal	GW	APD	C	WHITE RIVER
OU GB 3W-9-8-22	09	080S	220E	4304734763		Federal	GW	APD	C	WHITE RIVER
OU GB 12W-10-8-22	10	080S	220E	4304734769	13864	Federal	GW	DRL	C	WHITE RIVER
OU GB 3W-4-8-22	04	080S	220E	4304734806		Federal	GW	APD	C	WHITE RIVER
OU GB 4W-4-8-22	04	080S	220E	4304734807		Federal	GW	APD	C	WHITE RIVER
OU GB 5W-4-8-22	04	080S	220E	4304734808		Federal	GW	APD	C	WHITE RIVER
OU GB 6W-4-8-22	04	080S	220E	4304734809		Federal	GW	APD	C	WHITE RIVER
WRU EIH 14W-26-8-22	26	080S	220E	4304734835	12528	Federal	GW	DRL	C	WHITE RIVER
WRU EIH 11W-26-8-22	26	080S	220E	4304734836		Federal	GW	APD	C	WHITE RIVER

Form 3160-5 (August 1999)

ED STATES DEPARTMENT OF THE INTERIOR **BUREAU OF LAND MANAGEMENT**

DOW MOTIOES	AND	DEDODTO	ONLYMET	

SUNDRY NOTICES AND REPORTS ON WELLS

FORM APPROVED
OMB NO. 1004-0135
Evnires: November 30, 2000

	Expires. Novemin
Lease	Serial No.
	00510 4

0 8 Do not use this abandoned we	is form for proposals to d II. Use form 3160-3 (APD)	Irill or to re-enter an) for such proposals.	6. If Indian, Allottee	or Tribe Name
SUBMIT IN TRI	PLICATE - Other instruct	ions on reverse side.	7. If Unit or CA/Agre	ement, Name and/or No.
Type of Well	ner	CONFIDENT	8. Well Name and No OU GB 6W-4-8-2	
Name of Operator QEP - UINTA BASIN INC		RALEEN SEARLE -Mail: raleen.searle@questar.c	9. API Well No. 43-047-34809	
3a. Address 11002 EAST 17500 SOUTH VERNAL, UT 84078		3b. Phone No. (include area code Ph: 435.781.4309 Fx: 435.781.4329	10. Field and Pool, or WHITE RIVER	Exploratory
4. Location of Well (Footage, Sec., T	., R., M., or Survey Description)		11. County or Parish,	and State
Sec 4 T8S R22E SENW 1990	FNL 2024FWL		UINTAH COUN	ITY, UT
12. CHECK APPI	ROPRIATE BOX(ES) TO	INDICATE NATURE OF	NOTICE, REPORT, OR OTHE	R DATA
TYPE OF SUBMISSION		ТҮРЕ О	F ACTION	
Notice of Intent ■	☐ Acidize	☐ Deepen	☐ Production (Start/Resume)	☐ Water Shut-Off
_	☐ Alter Casing	☐ Fracture Treat	☐ Reclamation	☐ Well Integrity
☐ Subsequent Report	☐ Casing Repair	☐ New Construction	☐ Recomplete	Other
☐ Final Abandonment Notice	☐ Change Plans ☐ Convert to Injection	☐ Plug and Abandon☐ Plug Back	☐ Temporarily Abandon ☐ Water Disposal	
Date By:	Approved by the Utah Division of Oil, Gas and Minin	sion on this APD.	NI TO OPERATOR J-6-09 DEC 3	EIVED 1 2003
14. I hereby certify that the foregoing is Name (Printed/Typed) RALEEN:	Electronic Submission #2 For QEP - U	6389 verified by the BLM Wel	I Information System	- wantaya
Raleen	Searle			
Signature (Efectionic S	THIS SPACE FOI	Date 12/23/2		
Approved By	. 	Title	Date	
Conditions of approval, if any, are attache certify that the applicant holds legal or equivalent would entitle the applicant to conduction	uitable title to those rights in the s act operations thereon.	subject lease Office		
Title 18 U.S.C. Section 1001 and Title 43 States any false fictitious or fraudulent	U.S.C. Section 1212, make it a constatements or representations as to	rime for any person knowingly and	d willfully to make to any department of	r agency of the United



Application for Permit to Drill Request for Permit Extension Validation

Validation
(this form should accompany the Sundry Notice requesting permit extension)

API:

43-047-34809

Well Name: OU GB 6W-4-8-22 Location: SENW, SECTION 4, T8S, R22E Company Permit Issued to: QEP UINTA BASIN, INC. Date Original Permit Issued:								
The undersigned as owner with legal rights to drill on the property as permitted above, hereby verifies that the information as submitted in the previously approved application to drill, remains valid and does not require revision. Following is a checklist of some items related to the application, which should I verified.								
Has there been any unit or other agreements put in place that could affe permitting or operation of this proposed well? Yes□No ☑	ct the							
Have there been any changes to the access route including ownership, or right of-way, which could affect the proposed location? Yes□No ☑ Has the approved source of water for drilling changed? Yes□No ☑								
Is bonding still in place, which covers this proposed well? Yes ☑ No □								
Ralen Sincle 12/22/2003								
Signature Date								
Title: REGULATORY AFFAIRS ANALYST								
Representing: QEP UINTA BASIN, INC.								
	Location: SENW, SECTION 4, T8S, R22E Company Permit Issued to: QEP UINTA BASIN, INC. Date Original Permit Issued: The undersigned as owner with legal rights to drill on the property as perabove, hereby verifies that the information as submitted in the previously approved application to drill, remains valid and does not require revision Following is a checklist of some items related to the application, which size verified. If located on private land, has the ownership changed, if so, has the surfagreement been updated? Yes□No☑ Have any wells been drilled in the vicinity of the proposed well which wo the spacing or siting requirements for this location? Yes□No☑ Has there been any unit or other agreements put in place that could affect permitting or operation of this proposed well? Yes□No☑ Have there been any changes to the access route including ownership, of-way, which could affect the proposed location? Yes□No☑ Has the approved source of water for drilling changed? Yes□No☑ Have there been any physical changes to the surface location or access which will require a change in plans from what was discussed at the ons evaluation? Yes□No☑ Is bonding still in place, which covers this proposed well? Yes ☑No□ Title: REGULATORY AFFAIRS ANALYST							



State of Utah

Department of Natural Resources

ROBERT L. MORGAN Executive Director

Division of Oil, Gas & Mining

LOWELL P. BRAXTON Division Director OLENE S. WALKER
Governor

GAYLE F. McKEACHNIE
Lieutenant Governor

January 21, 2005

Jan Nelson QEP Uinta Basin Inc. 11002 East 17500 South Vernal, Utah 84078

Re:

APD Rescinded – OU GB 6W-4-8-22, Sec. 4, T. 8S, R. 22E

Uintah County, Utah API No. 43-047-34809

Dear Ms. Nelson:

The Application for Permit to Drill (APD) for the subject well was approved by the Division of Oil, Gas and Mining (Division) on December 9, 2002. On January 5, 2004 the Division granted a one-year APD extension. No drilling activity at this location has been reported to the division. Therefore, approval to drill the well is hereby rescinded, effective January 5, 2005.

A new APD must be filed with this office for approval <u>prior</u> to the commencement of any future work on the subject location.

If any previously unreported operations have been performed on this well location, it is imperative that you notify the Division immediately.

Sincerely,

Diana Whitney

Engineering Technician

cc: Well File

Bureau of Land Management, Vernal





United States Department of the Interior

BUREAU OF LAND MANAGEMENT

Vernal Field Office 170 South 500 East Vernal, UT 84078

(435) 781-4400 Fax: (435) 781-4410

http://www.blm.gov/utah/vernal



IN REPLY REFER TO: 3160 UT08300

February 7, 2005

Jan Nelson QEP-Uinta Basin, Inc. 11002 East 17500 South Vernal, UT 84078

Re:

Notification of Expiration
Well No. OU \$2,6W-4-8-22
Lot 6, Sec. 4, 18S, R22E
Uintah County, Utah
Lease No. UTU-02510-A

Dear Ms. Nelson:

The Application for Permit to Drill the above-referenced well was approved on December 27, 2002. A one (1) year extension of the original APD was requested. The request was reviewed and the extension approved until December 28, 2004. According to our records, no known activity has transpired at the approved location. In view of the foregoing, this office is notifying you that the approval of the referenced application has expired. If you intend to drill at this location at a future date, a new Application for Permit to Drill must be submitted.

This office requires a letter confirming that no surface disturbance has been made for this drill site. Any surface disturbance associated with the approved location of this well is to be rehabilitated. A schedule for this rehabilitation must be submitted to this office. Your cooperation in this matter is appreciated.

Sincerely,

RECEIVED

FEB 1 4 2005

Leslie Wilcken

Legal Instruments Examiner

DIV. OF OIL, GAS & MINING

cc:

UDOGM